

THIRD ANNUAL  
ECONOMIC  
**2012**  
SUMMIT



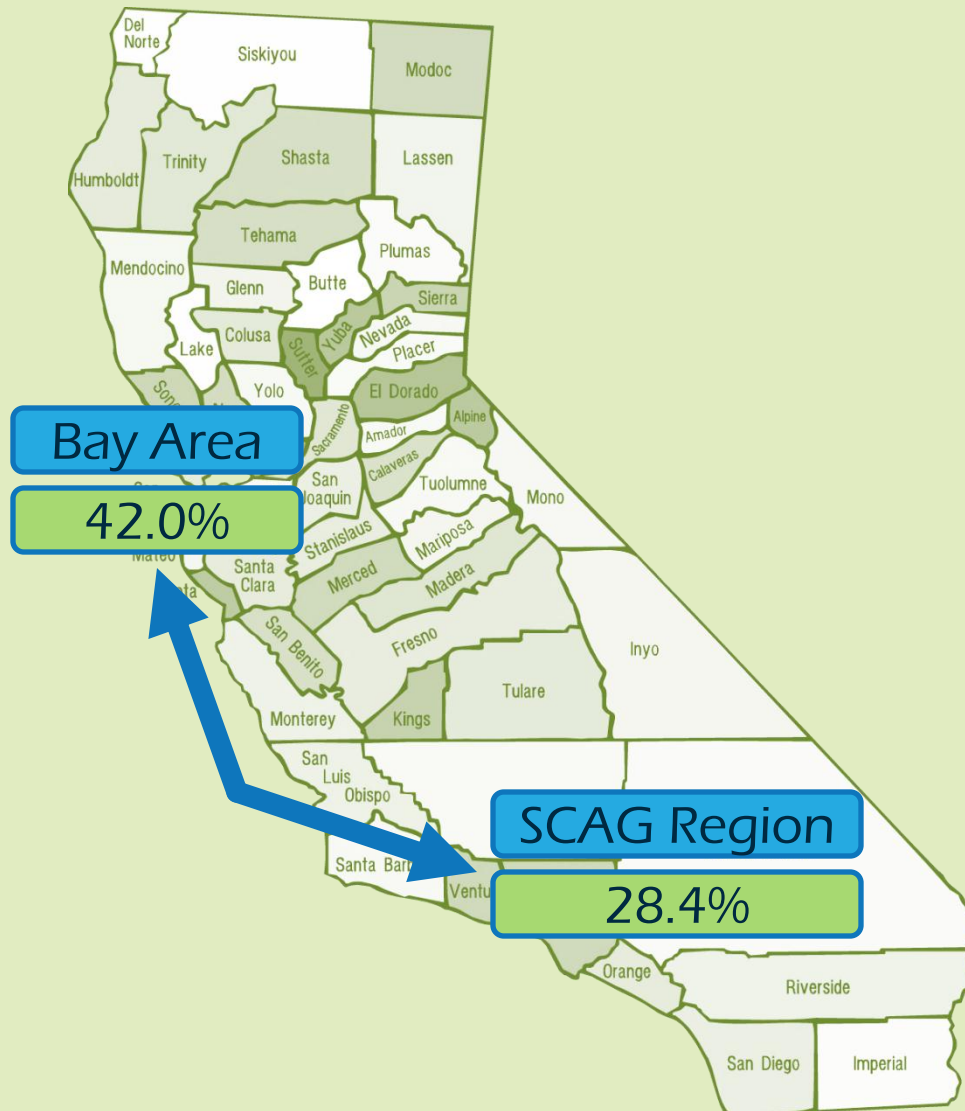
# REGIONAL ECONOMIC UPDATE

Westin Bonaventure Hotel  
Los Angeles, California  
December 6, 2012

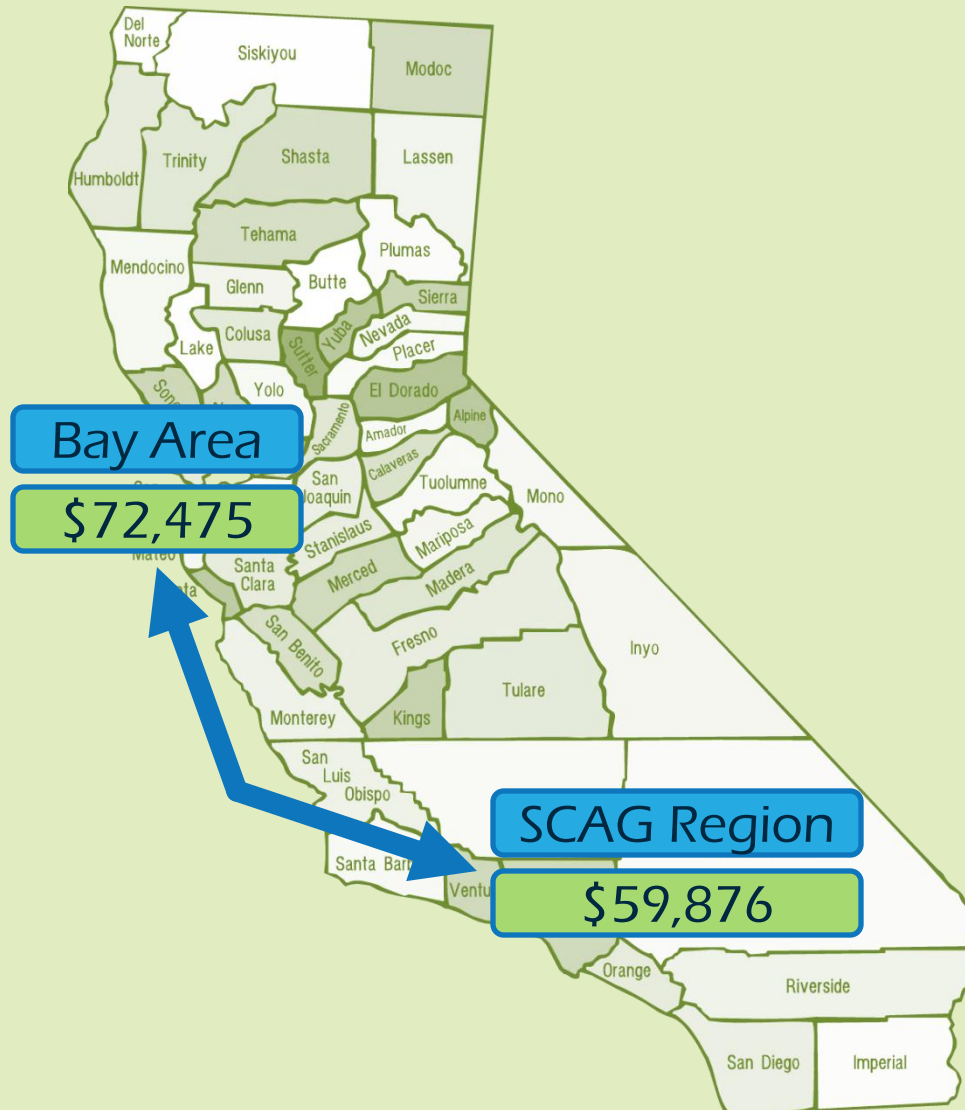
# The Importance of Southern California

- From 2000 to 2007, 660,500 jobs were added in California:
  - Southern California accounted for 597,100 jobs or 90.4%, but was only just over half of the total population.
  - The rest of California added just 63,400 jobs or 9.6% and the Bay Area lost 206,100.
- Since 2007, California has lost 869,400 jobs:
  - 574,400 or 66.1% of those jobs were in Southern California.
  - The rest of California lost 295,000 jobs or 33.9%, with the Bay Area losing 127,600.

# California Education Levels Bachelor's Degree or Higher



# Median Household Income



# Accomplishments

DECEMBER 2, 2010 ROAD TO RECOVERY ECONOMIC SUMMIT

BUSINESS FRIENDLY PRINCIPLES

COUNTY ECONOMIC REPORTS

SOUTHERN CALIFORNIA  
ECONOMIC RECOVERY & JOB GROWTH STRATEGY

“BEAT THE CANAL”

2012-2035 REGIONAL TRANSPORTATION PLAN/SUSTAINABLE  
COMMUNITIES STRATEGY ECONOMIC ANALYSIS

PHASE II OF THE SOUTHERN CALIFORNIA  
ECONOMIC RECOVERY & JOB CREATION STRATEGY



# SCAG's Economic Team

- **Imperial County**

- Michael Bracken, M.P.A. • Development Management Group

- **Los Angeles County**

- Christine Cooper, Ph.D. • Los Angeles County Economic Development Corporation

- **Orange County**

- Wallace Walrod, Ph.D. • Orange County Business Council

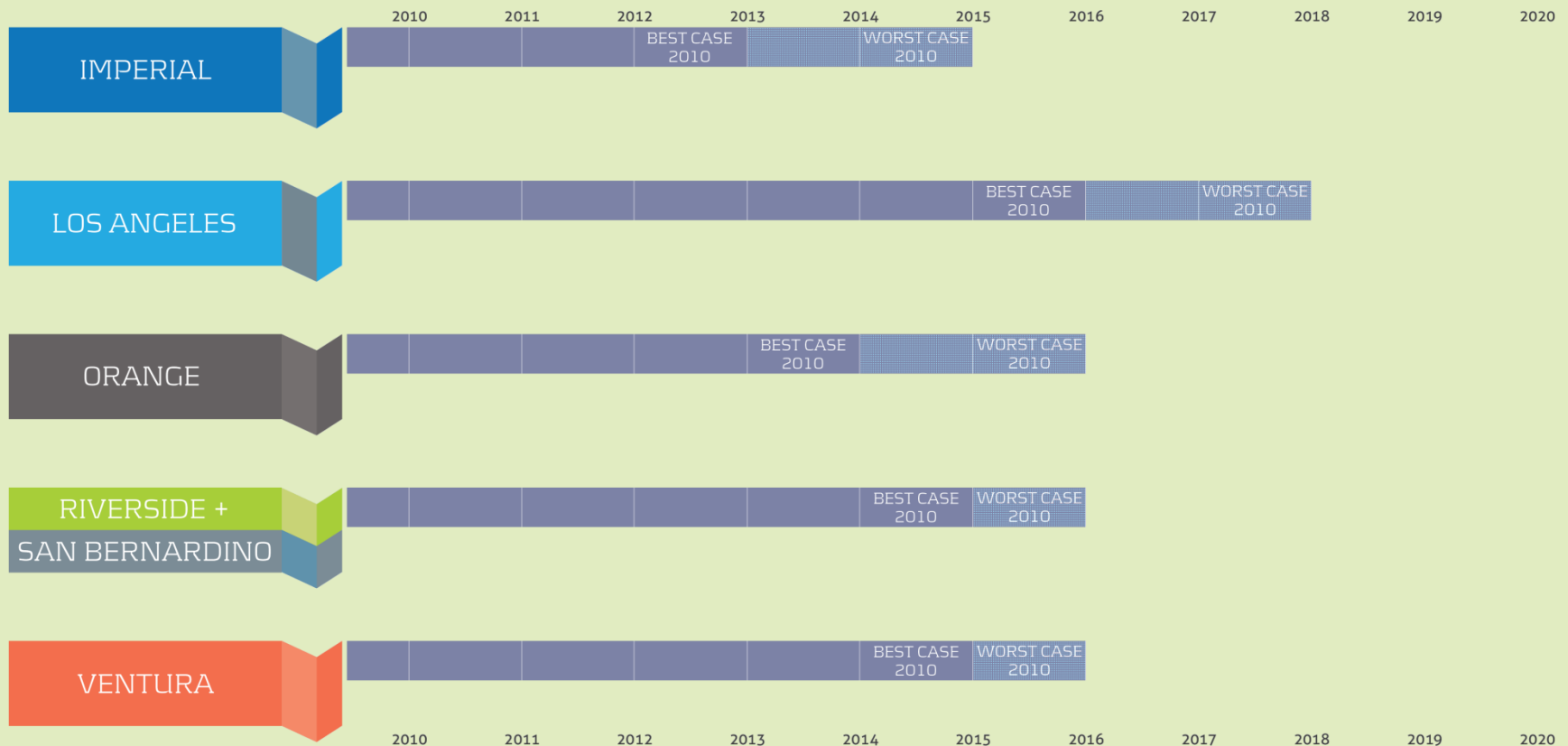
- **Riverside/San Bernardino Counties**

- John Husing, Ph.D. • Economics & Politics, Inc.

- **Ventura County**

- Bill Watkins, Ph.D. • California Lutheran University

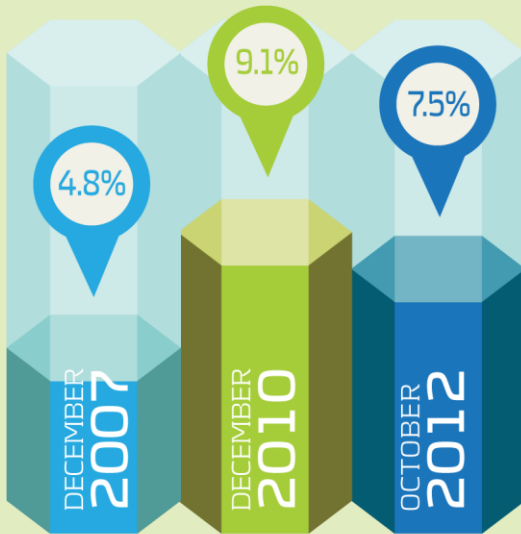
# Outlook On Recovery In 2010



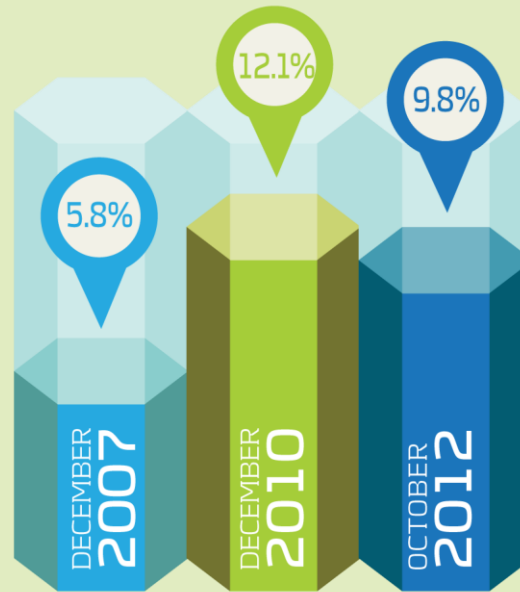


# Unemployment At A Glance

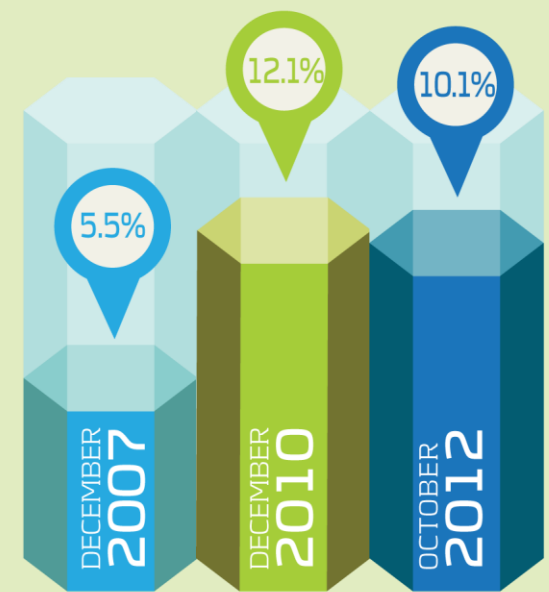
## UNITED STATES



## CALIFORNIA



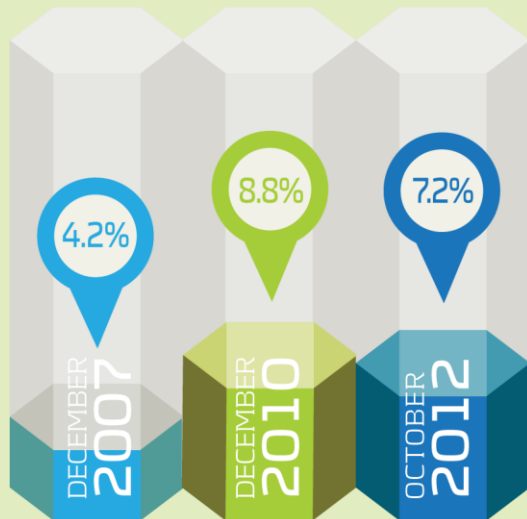
## SCAG REGION



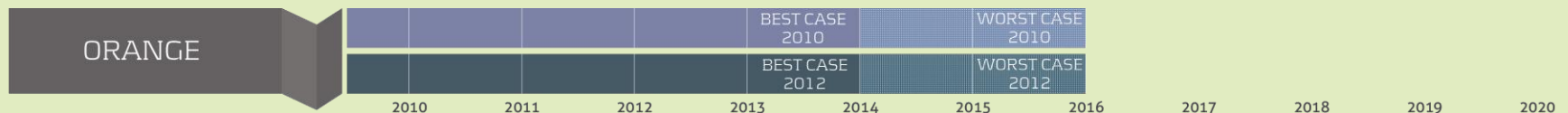


# Orange County

## ORANGE

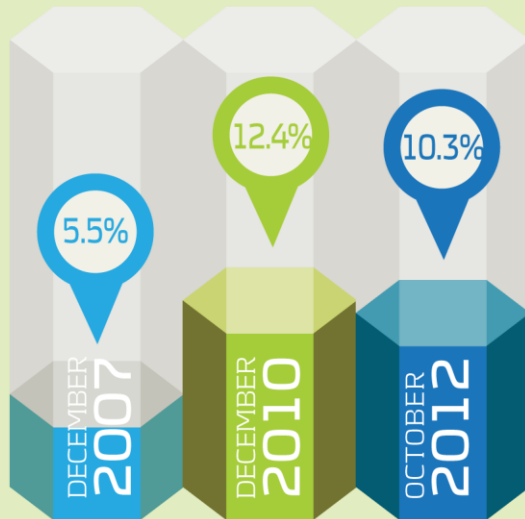


- Orange County's economic recovery picked up steam in 2012, with unemployment rates falling to 7.2% in October 2012.
- Construction, Trade, Financial, Professional & Business Services, Health Services, and Leisure & Hospitality all contributed significantly to overall positive Orange County job creation trends.
- The Orange County housing market is showing signs of increasing strength.

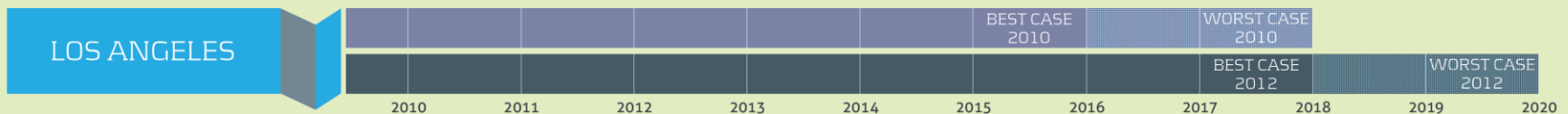


# Los Angeles County

## LOS ANGELES



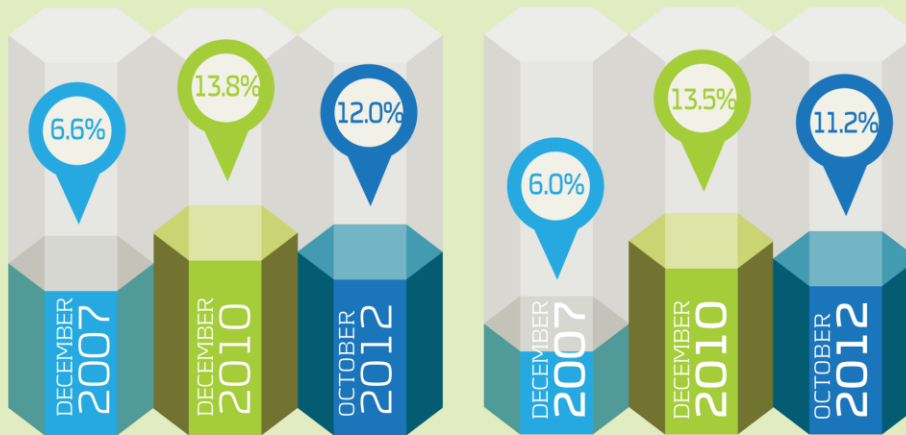
- More than 400,000 jobs were lost in Los Angeles County peak-to-trough.
- At the current recovery rate, these jobs will not be replaced until 2020.
- Key industry sectors which will add jobs include health care, leisure and hospitality, professional and business services, finance and insurance, and information.



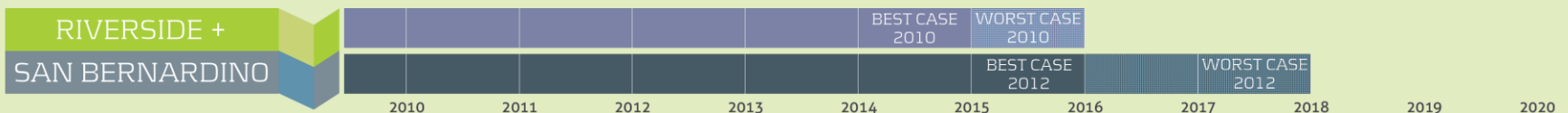
# Riverside & San Bernardino Counties

## RIVERSIDE

## SAN BERNARDINO

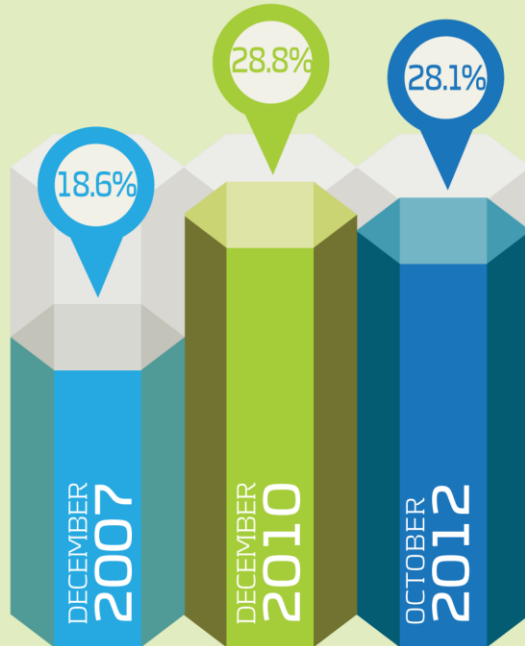


- Unemployment still highest of metro areas of 1 million+.
- 58% of job decline from construction industry.
- Home sales come back to 1998 levels.
- Large gap between new vs. existing home price (\$295k / \$187k).
- Logistic jobs are coming back (4,500 new in 14 months).
- Healthcare immune in recession continues to add jobs.
- Rural parts of region = construction wind/solar projects.
- Recovery continues to be slow due to housing crisis.

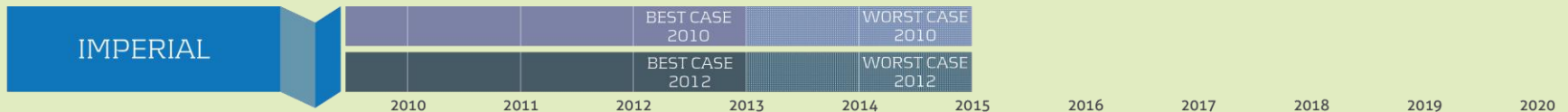


# Imperial County

## IMPERIAL

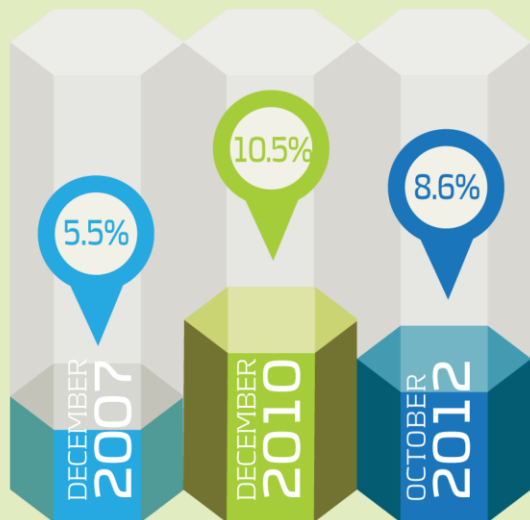


- Total number employed recovered to 2007 levels.
- Labor force grew 21% (63k to 76k) in 6 years.
- Foreclosures/Defaults tailed off, home prices stabilized
- Agriculture: 2011 record year \$1.9 billion+.
- Investment/Employment in 15+ new solar, wind & geothermal projects.

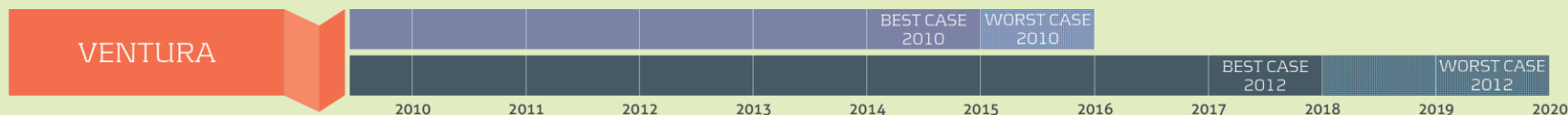


# Ventura County

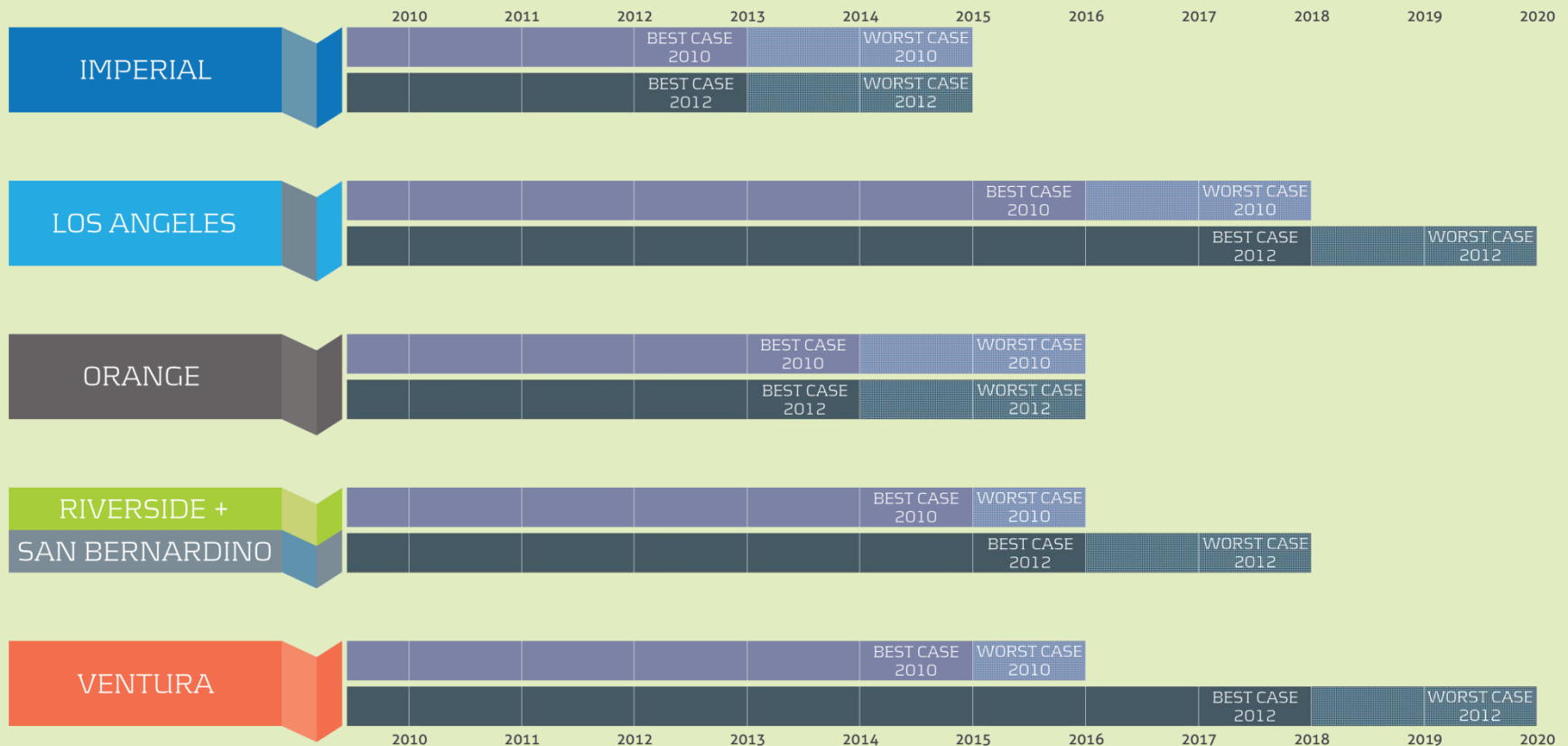
## VENTURA



- Ventura is maturing into a Santa Barbara-like economy.
- Expect slow job growth and aging wealthier population.
- Challenge will be housing for agriculture and other low income workers.



# When Will We Recover Lost Jobs?

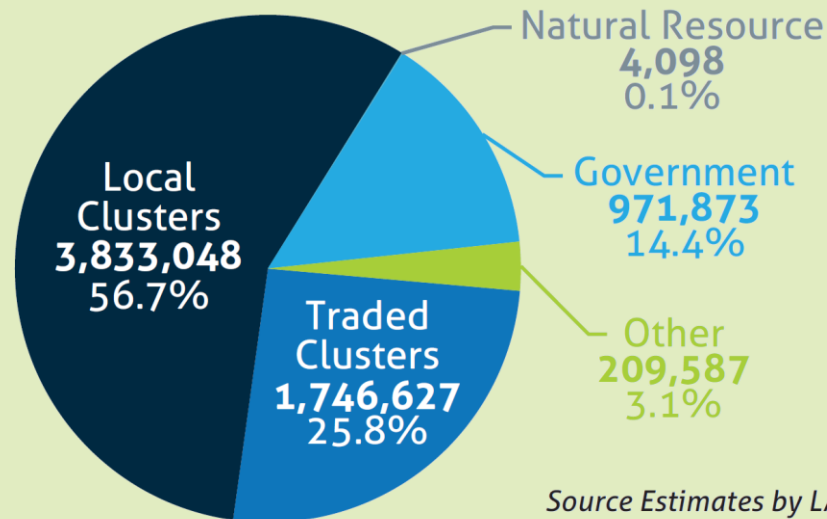


# Industry Clusters of Southern California

## What are Industry Clusters?

## Why are They Important?

Employment in 2011 SCAG Region



Source Estimates by LAEDC







# Economic Benefits of Accelerating Five Years of Projects

What are the Benefits?

What's the Question?

What's the Methodology?

Quick Figures		
	JOBS PER YEAR	5 YEAR GDP TOTAL
CONSTRUCTION JOBS 	102,143	\$35.1B
NETWORK BENEFITS 	120,639	\$71.2B
OPERATIONS 	83,654	\$49.8B
CONSTRUCTION COST SAVINGS		
\$1.25B– \$1.95B <i>per year average</i>		\$6.8– \$9.9B <i>5 year period</i>

**Today's Materials Are Available  
For Download At:**

[www.scag.ca.gov/economicstrategy](http://www.scag.ca.gov/economicstrategy)